

JOE WARDY
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL

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DISTRICT NO. 2

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DISTRICT NO. 7

ANTHONY W. COBOS
DISTRICT NO. 8

COMPTROLLER DEPARTMENT

December 15, 2004

To: Mayor Joe Wardy
Joyce Wilson, City Manager

Through: William Studer, Deputy City Manager *WS*
Carmen Arrieta-Candelaria, Comptroller *CA*

From: Blanca B. Lorkowski, Treasury Services Manager *BBL*

Subject: Quarterly Investment Report for the Period Ending November 30, 2004

Submitted for your review and acceptance is the City of El Paso first quarter investment report including documentation of investments held and evaluation of investment performance. The investment officers have complied with the Public Funds Investment Act, the City's Investment Policy, and adopted Investment Strategies. All funds were invested to meet cash flow requirements for operations, capital projects, and debt service payments.

During this quarter, the City bid two investments totaling \$7.5 million. The investments were made to satisfy portfolio diversity requirements. The remaining cash available was placed into investment pools in order to take advantage of superior yields in the pools compared to the yields of investments currently available. The four investment pools used by the City – TexStar, TexPool, Logic, and MBIA – yielded 1.845% for the quarter ended November 30, 2004.

The following is a summary comparison of selected information as of May 31, 2004 and November 30, 2004:

	<u>November 30, 2004</u>	<u>May 31, 2004</u>
Principal Invested	\$112,831,938.78	\$130,997,191.54
Portfolio Book Value	\$112,518,842.93	\$131,004,855.24
Portfolio Fair Value	\$112,553,790.20	\$131,035,466.54
Weighted Average Maturity	43 Days	13 Days

BBL \ quarterly report –November 30, 2004

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The yields on portfolio investments and representative market securities are:

	November 30, 2004
Investment Pools	1.845%
U. S. Agency Securities	2.200%
Average 3-month T-bill Rate	2.195%
Average 6-month T-bill Rate	2.395%
Average 6-month CD Rate	2.580%
City Average Portfolio Yield	2.020%

Attached are additional charts and tables portraying the City's portfolio and summarized reports of portfolio position required by the Texas Public Funds Investment Act.

The change in the average portfolio yield for the quarter was 39 basis points higher at the end of quarter compared to the beginning of the quarter. This increase is due to the increase in the yields of the investment market in general. The City's current average portfolio yield was lower than the 3-month T-bill rate by 17.5 basis points. This is acceptable considering the City's investment volume during the period.

ATTACHMENTS:

- Chart - City Portfolio by Investment Type
- Chart - Portfolio Maturity
- Chart - Treasury Benchmark Yield Analysis
- Chart - Portfolio Performance Comparison
- Report - Total Return
- Report - Texas Compliance Summary
- Report - Texas Compliance Details

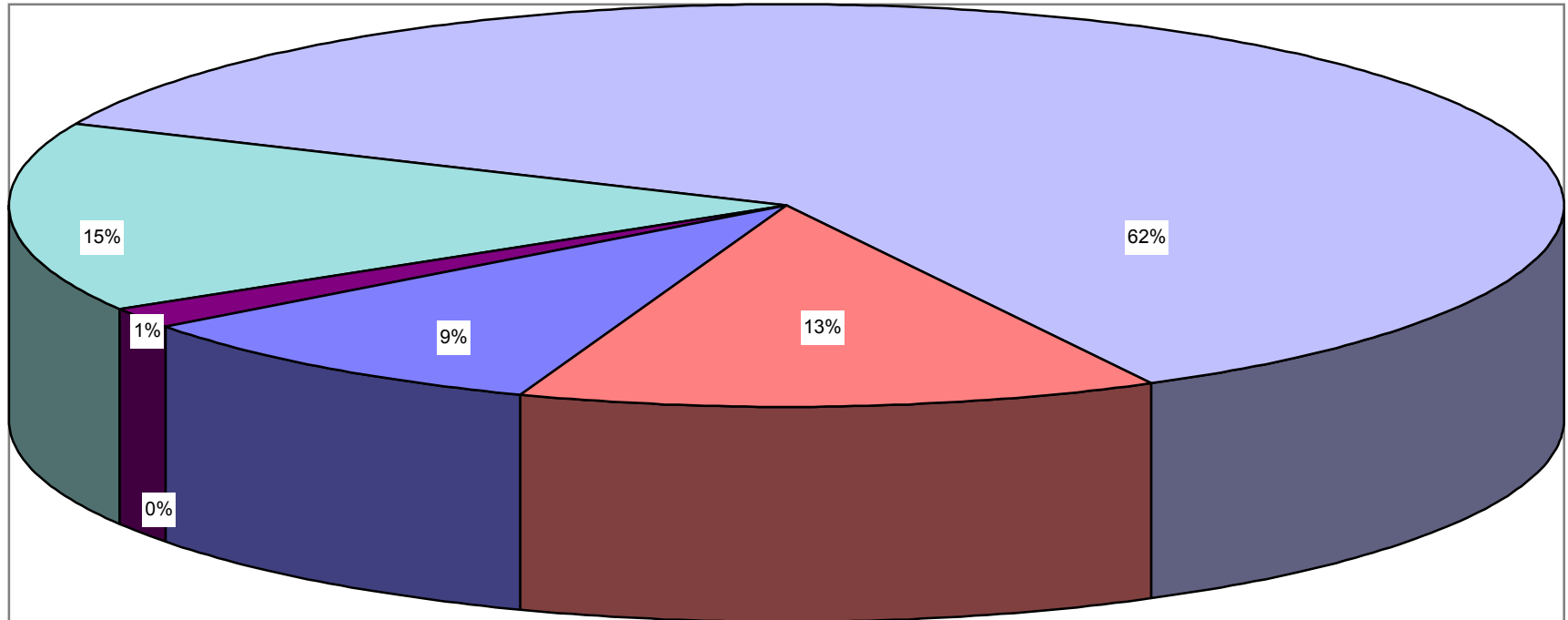
BBL \ quarterly report –November 30, 2004

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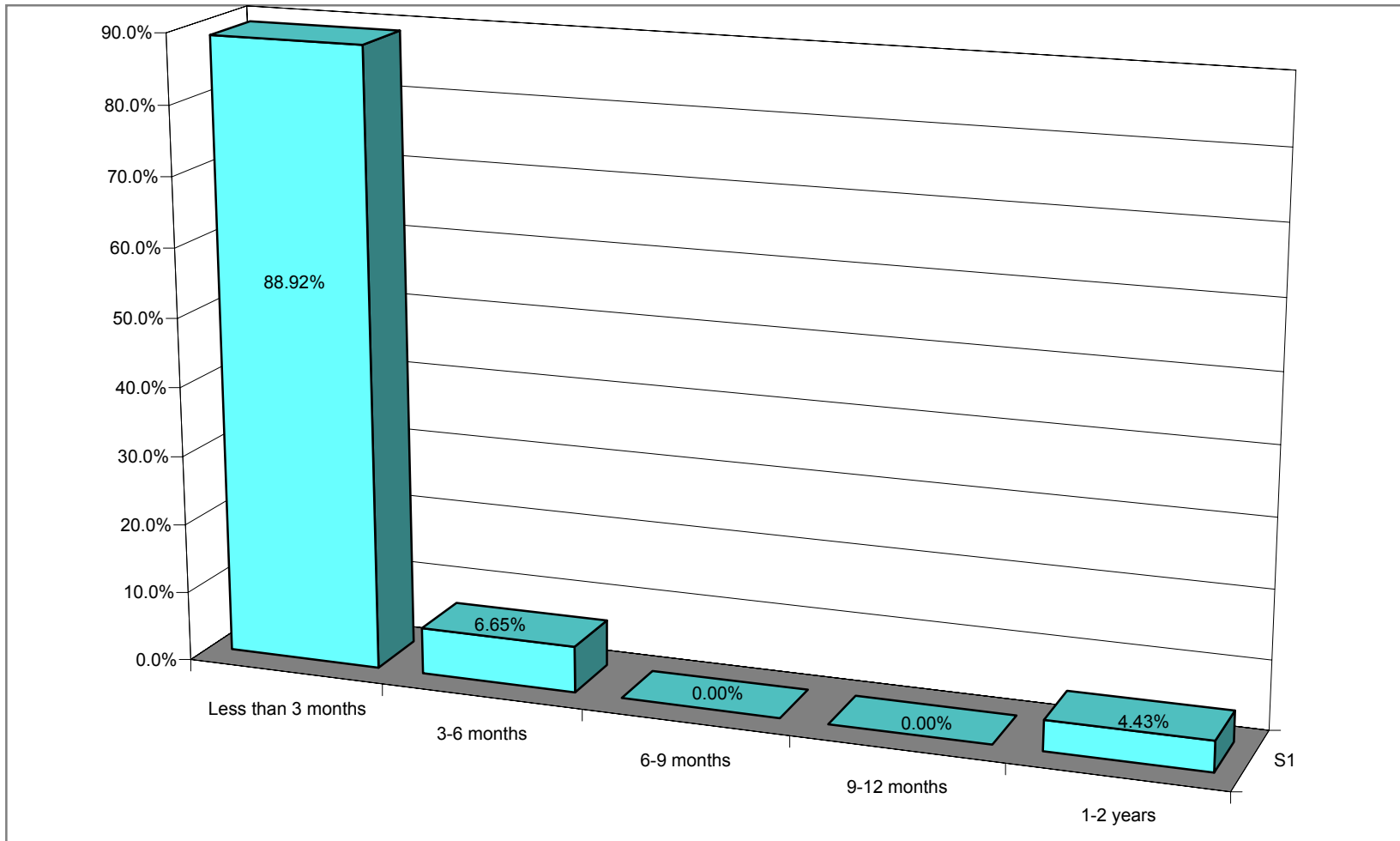
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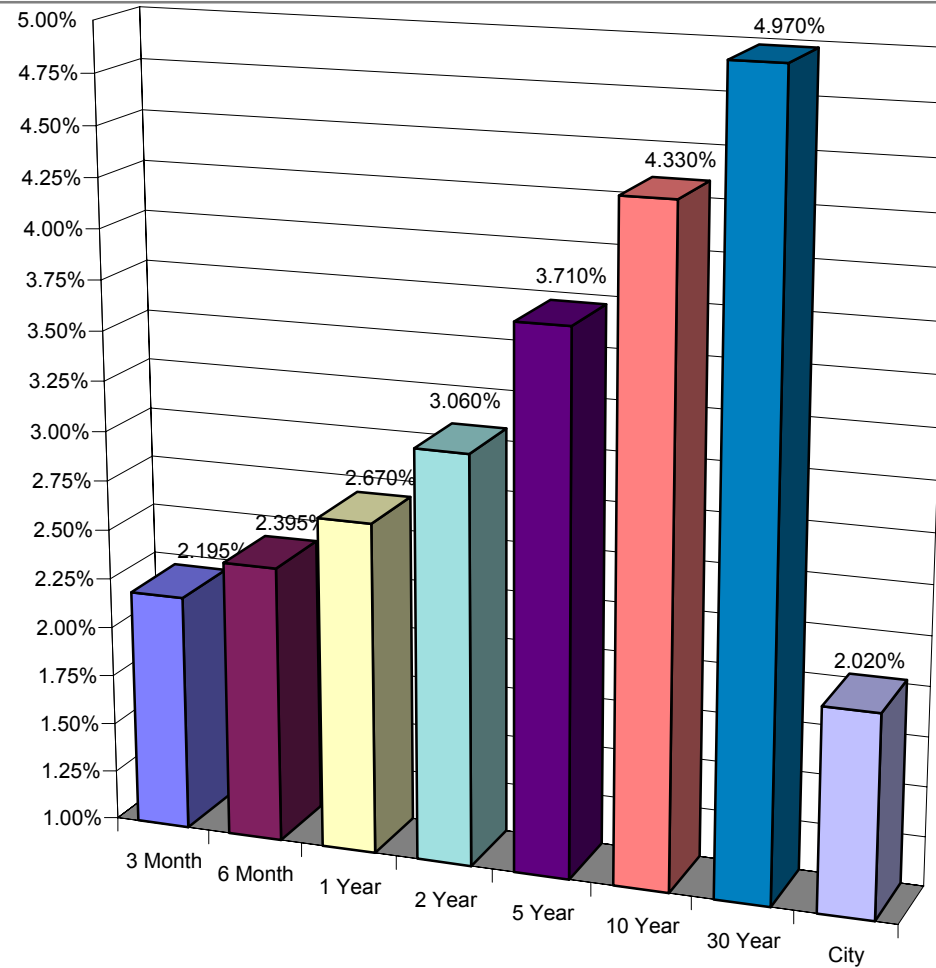
City Portfolio by Investment Type
As of November 30, 2004



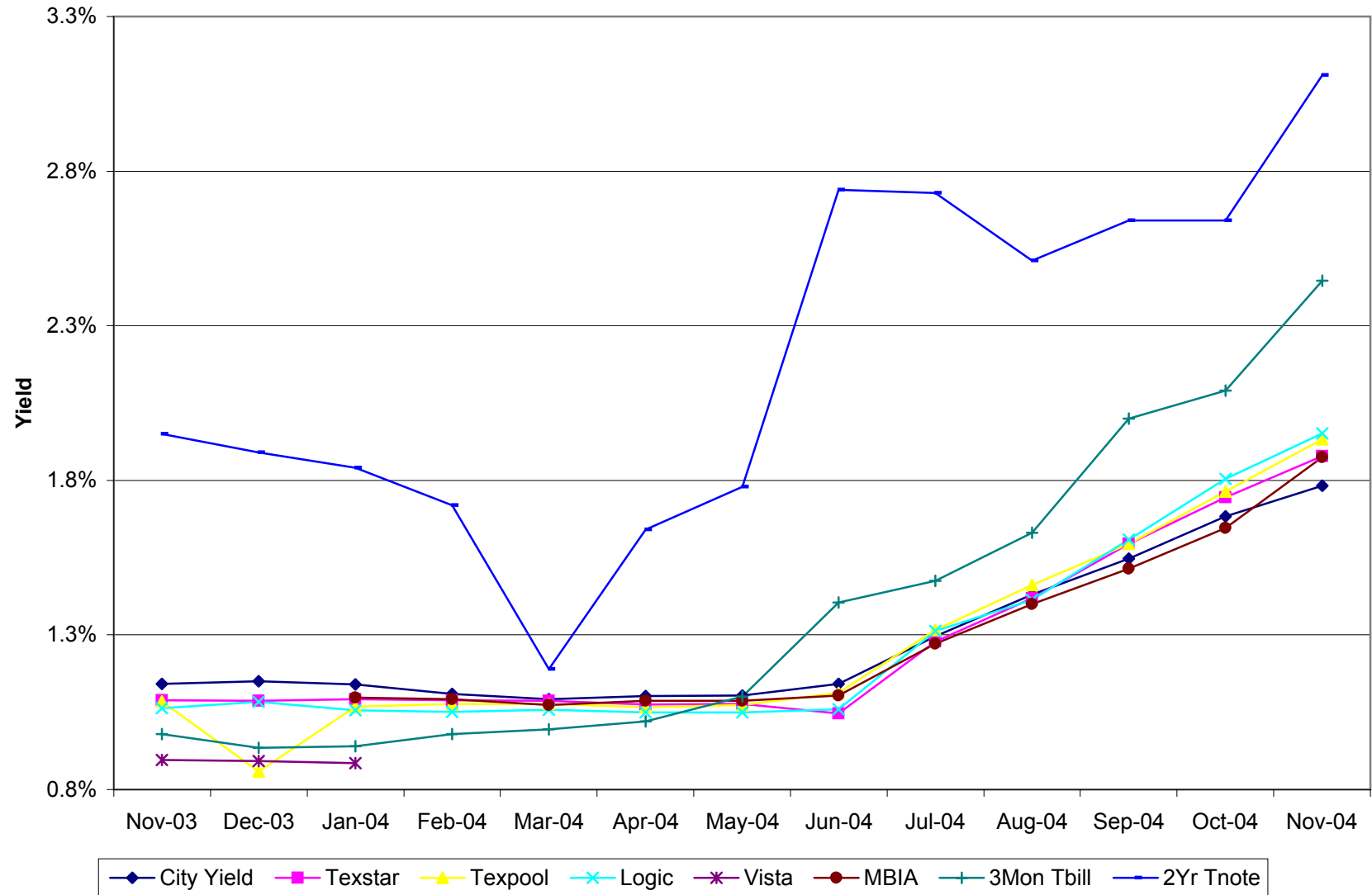
**Portfolio Maturity
As of November 30, 2004**



**Treasury Benchmark Yield Analysis
As of November 30, 2004**



Portfolio Performance Comparison for the Period November 2003 through November 2004





City_of_El_Paso_2004
Total Return
September 1, 2004 - November 30, 2004
Yield on Time Weighted Value

City of El Paso

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income		
										Interest Earned	Adjustment in Value	Net Investment Income
Issuer: Federal Farm Credit Bank												
313397DY4	511000043	01	Amortized	0.00	1,345,460.26	2,456,127.11	04/05/2005	2.150	2.203	0.00	7,389.43	7,389.43
			Subtotal	0.00	1,345,460.26	2,456,127.11			2.203	0.00	7,389.43	7,389.43
Issuer: Federal Home Loan Bank												
3134A4TR5	515000039	01	Amortized	5,004,492.82	5,004,492.82	5,002,900.88	05/15/2005	1.750	1.626	21,875.00	-1,591.94	20,283.06
3133X92A7	5110000044	01	Amortized	0.00	1,134,521.06	4,702,050.00	11/09/2006	3.030	3.273	0.00	9,258.33	9,258.33
			Subtotal	5,004,492.82	6,139,013.88	9,704,950.88			1.930	21,875.00	7,666.39	29,541.39
Issuer: Federal National Mortgage Assn												
31359MQJ5	515000041	01	Amortized	2,503,170.88	2,503,170.88	2,500,426.85	12/15/2004	1.865	1.428	11,656.25	-2,744.03	8,912.22
			Subtotal	2,503,170.88	2,503,170.88	2,500,426.85			1.428	11,656.25	-2,744.03	8,912.22
Issuer: Logic Investment Pool												
746000749	5010000007	01	Amortized	268,779.87	269,454.70	269,837.68		1.755	1.739	1,168.22	0.00	1,168.22
	5010000008	01	Amortized	0.00	0.00	0.00				0.00	0.00	0.00
			Subtotal	268,779.87	269,454.70	269,837.68			1.739	1,168.22	0.00	1,168.22
Issuer: MUNICIPAL INVESTORS SVC CORP.												
TX0103050001	501000007	01	Amortized	25,362,320.63	17,729,201.57	10,444,146.21		1.596	1.419	62,736.08	0.00	62,736.08
			Subtotal	25,362,320.63	17,729,201.57	10,444,146.21			1.419	62,736.08	0.00	62,736.08
Issuer: TEXPOOL Investment Pool												
071031111000	5020000007	01	Amortized	4,512,015.96	7,023,435.68	17,029,734.54		1.882	1.773	31,049.33	0.00	31,049.33
			Subtotal	4,512,015.96	7,023,435.68	17,029,734.54			1.773	31,049.33	0.00	31,049.33
Issuer: Texstar												
746000749	5030000007	01	Amortized	89,118,330.23	84,192,344.08	68,480,756.03		1.835	1.681	352,869.28	0.00	352,869.28
			Subtotal	89,118,330.23	84,192,344.08	68,480,756.03			1.681	352,869.28	0.00	352,869.28
Issuer: Vista Investment Pool												
608352	5060000007	01	Amortized	0.00	0.00	0.00		0.836		0.00	0.00	0.00

City_of_El_Paso_2004
Total Return
September 1, 2004 - November 30, 2004

Page 2

CUSIP	Investment #	Fund	Investment Class	Beginning Invested Value	Time Weighted Invested Value	Ending Invested Value	Maturity Date	Current Rate	Total Return	Investment Income		
										Interest Earned	Adjustment in Value	Net Investment Income
Issuer: Vista Investment Pool												
332150	5060000008	02	Amortized	4,235,744.85	2,936,506.86	1,632,863.63		1.650	1.433	10,493.81	0.00	10,493.81
			Subtotal	4,235,744.85	2,936,506.86	1,632,863.63			1.433	10,493.81	0.00	10,493.81
			Total	131,004,855.24	122,138,587.91	112,518,842.93			1.656	491,847.97	12,311.79	504,159.76
							Components of Return:	Interest:	1.615			
								Amortization:	0.040			
								Market Value:				



City_of_El_Paso_2004
Texas Compliance Summary
Sorted by Investment Class
September 1, 2004 - November 30, 2004

City of El Paso

Investment Class			Par Value	Market Value	Book Value	Accrued Interest
Amortized Cost	Value beginning	09/01/2004	130,997,191.54	131,035,466.54	131,004,855.24	4,973,782.95
	Net Change		-18,165,252.76	-18,190,394.70	-18,486,012.31	-28,036.96
	Value ending	11/30/2004	112,831,938.78	112,845,071.84	112,518,842.93	4,945,745.99
Total	Value beginning	09/01/2004	130,997,191.54	131,035,466.54	131,004,855.24	4,973,782.95
	Net Change		-18,165,252.76	-18,190,394.70	-18,486,012.31	-28,036.96
	Value ending	11/30/2004	112,831,938.78	112,845,071.84	112,518,842.93	4,945,745.99



City_of_El_Paso_2004
Texas Compliance Details
Sorted by Investment Class
November 30, 2004

City of El Paso

CUSIP	Investment #	Fund	Issuer	Investment Type	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Investment Class: Amortized Cost												
746000749	5010000007	01	Logic Investment Pool	PA1	269,837.68			1.755	100.000	08/31/1999	269,837.68	269,837.68
071031111000	5020000007	01	TEXPOOL Investment Pool	PA1	17,029,734.54			1.882	100.000	05/31/2000	17,029,734.54	17,029,734.54
332150	5060000008	02	Vista Investment Pool	PA1	1,632,863.63			1.650	100.000	05/31/2000	1,632,863.63	1,632,863.63
746000749	5030000007	01	Texstar	PA1	68,480,756.03			1.835	100.000	02/29/2004	68,480,756.03	68,480,756.03
TX0103050001	5010000007	01	MUNICIPAL INVESTORS SVC CORP.	PA1	10,444,146.21			1.596	100.000	01/31/2004	10,444,146.21	10,444,146.21
31359MQJ5	515000041	01	Federal National Mortgage Assn	FAC	2,500,000.00	12/15/2004		1.865	100.531	02/29/2004	2,513,275.00	2,500,426.85
313397DY4	511000043	01	Federal Farm Credit Bank	AFD	2,474,600.69	04/05/2005		2.150	98.984	10/12/2004	2,449,458.75	2,456,127.11
3134A4TR5	515000039	01	Federal Home Loan Bank	FAC	5,000,000.00	05/15/2005		1.750	100.500	02/29/2004	5,025,000.00	5,002,900.88
3133X92A7	511000044	01	Federal Home Loan Bank	AFD	5,000,000.00	11/09/2006		3.030	100.000	11/09/2004	5,000,000.00	4,702,050.00
				Subtotal	112,831,938.78						112,845,071.84	112,518,842.93
				Total	112,831,938.78						112,845,071.84	112,518,842.93

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Portfolio 2004

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